

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 226 – HB 285

March 23, 2017

**SUMMARY OF ORIGINAL BILL:** Requires the State Treasurer to annually notify the Senate Judiciary Committee and the House Criminal Justice Committee of the amount of surplus in the DUI Monitoring Fund. Deletes obsolete statutory requirement for the Department of Safety, in consultation with the State Treasurer, to conduct a study in 2011 and report findings of the study before January 1, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005495):** Deletes all language after the enacting clause. Requires a person who sells more than five motor vehicles within a calendar year to licensed automotive dismantlers and recyclers to register as a scrap metal dealer if the motor vehicles are sold solely for recycling, dismantling, or scrap. Creates a Class A misdemeanor, punishable by fine only, for violation of the provisions of the legislation. Excludes licensed motor vehicle dealers from the provisions of the legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Revenue – Exceeds \$200/Scrap Metal Registration Program**

**Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Scrap Metal Registration Program experienced a surplus of \$68,149 in FY14-15, a deficit of \$29,377 in FY15-16, and a cumulative reserve balance of \$354,852 on June 30, 2016.**

Assumptions for the bill as amended:

- Pursuant to the Scrap Metal Registration Program (SMRP) rule 0780-05-14-.03, any person who buys, exchanges, or deals in scrap metal either as an employer or employee/agent must register with the SMRP.
- It is reasonably assumed that a person who sells more than five motor vehicles within a calendar year, to licensed automotive dismantlers and recyclers for recycling,

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dismantling, or scrap, falls within the definition of a person who exchanges or deals scrap metal as identified in SMRP rule 0780-05-14-.03.

- A scrap metal dealer registration pursuant to SMRP rule 0780-05-14.06 is \$175 with a renewal fee of \$125 every two years.
- It is reasonably estimated that the provisions of the legislation will result in a minimum of one additional scrap metal dealer registration each year.
- The recurring increase in state fee revenue to the Scrap Metal Registration Program from application and renewal fees is estimated to exceed \$175 per year.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Scrap Metal Registration Program experienced a surplus of \$68,149 in FY14-15, a deficit of \$29,377 in FY15-16, and a cumulative reserve balance of \$354,852 on June 30, 2016.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

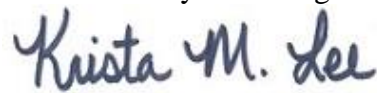
### **NOT SIGNIFICANT**

Assumption for the bill as amended:

- The provisions of the legislation are not anticipated to have any significant impact on commerce or jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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